



Commerce Leasing Corporation
Commerce Mortgage Company

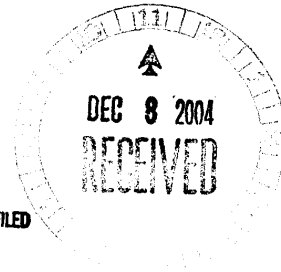
November 29, 2004

FEDERAL EXPRESS

Mr. Vernon A. Williams, Secretary
Surface Transportation Board
Washington, DC 20423

RECORDATION NO. 25329 FILED

DEC 08 '04 2-08 PM



SURFACE TRANSPORTATION BOARD

Dear Mr. Williams:

Enclosed for recordation is an original and one counterpart of the document described below, to be recorded pursuant to Section 11301 of Title 49 of the U.S. Code.

This document is a Memorandum of Lease, a "primary document" dated December 29, 2003.

The names and addresses of the parties to the document are as follows:

Lessor: **COMMERCE LEASING CORPORATION,
A DIVISION OF COMMERCE
FINANCIAL GROUP, INC.**
7650 Edinborough Way, Suite 160
Edina, Minnesota 55435

Lessee: **PROGRESSIVE RAIL INCORPORATED**
21778 Highview Avenue
Lakeville, Minnesota 55044.

A description of the equipment covered by the document follows:

One (1) Electromotive SW1500 Locomotive, Unit No. PGR 38

A short summary of the enclosed "primary document" to appear in the index follows:

Memorandum of Lease

A fee of \$32 is enclosed. Please return the original and any extra copies not needed by the Board for recordation to the undersigned at the above address for the Lessor.

Very truly yours,

James E. Senske
President

JES:nt
Enclosures

7650 Edinborough Way • Suite 160 • Edina, Minnesota 55435
952/841-9760 • FAX 952/841-9765

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MEMORANDUM OF LEASE

SURFACE TRANSPORTATION BOARD

Pursuant to that certain Master Equipment Lease dated December 29, 2003 ("Lease") by and between **COMMERCE LEASING CORPORATION, A DIVISION OF COMMERCE FINANCIAL GROUP, INC.**, as lessor, and **PROGRESSIVE RAIL INCORPORATED**, as Lessee, Lessor has leased to Lessee the locomotive identified in Exhibit A attached hereto and entitled "Description of Locomotive."

The addresses of the parties are as follows:

Lessor: Commerce Leasing Corporation, a division
of Commerce Financial Group, Inc.
7650 Edinborough Way, Suite 160
Edina, MN 55435

Lessee: Progressive Rail Incorporated
21778 Highview Avenue
Lakeville, MN 55044


The term of the lease of each item of Equipment shall commence on the Commencement Date specified in the Supplement pertaining to such Equipment and, unless earlier terminated pursuant to the provisions thereof, shall continue for the term specified in such Supplement or for such extended term pursuant to the terms of the Lease.

The terms and provisions of the Lease are more particularly set forth in the Master Equipment Lease.

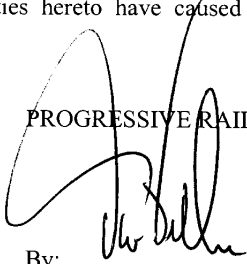
This Memorandum may be signed in counterpart or duplicate copies, and any signed counterpart or duplicate copy shall be equivalent to a signed original for all purposes.

IN WITNESS WHEREOF, the parties hereto have caused this Memorandum to be executed as of November 29, 2004.

COMMERCE LEASING CORPORATION,
A DIVISION OF COMMERCE
FINANCIAL GROUP, INC.

By: 
Name: James E. Senske
Title: President

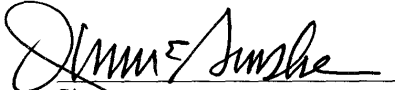
PROGRESSIVE RAIL INCORPORATED

By: 
Name: Dave Fellon
Title: President

CORPORATE FORM OF ACKNOWLEDGEMENT

I, **James E. Senske**, certify that I am President of Commerce Leasing Corporation, a division of Commerce Financial Group, Inc., that the seal affixed to the forgoing instrument is the corporate seal of said corporation, that the instrument was signed and sealed on behalf of the corporation by authority of its Board of Directors, and that I acknowledge that the execution of the foregoing instrument was the free act and deed of the corporation. I further declare under penalty of perjury that the foregoing is true and correct.

Executed on November 29, 2004


Signature

State of Minnesota
County of Hennepin ss:

On this 29th day of November, 2004 before me personally appeared **James E. Senske**, to me personally known, who being by me duly sworn, says that he is the **President of Commerce Leasing Corporation, a division of Commerce Financial Group, Inc.**, that the seal affixed to the foregoing instrument is the corporate seal of said corporation, that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

No Seal

Signature of Notary Public Nance D. Torrence

My commission expires January 31, 2008

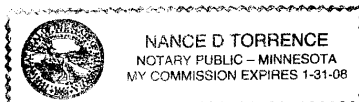


Exhibit A

Description of Locomotive
One (1) Electromotive SW1500 Locomotive

Count
1

Unit No.
PGR 38